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served, and some pages literally bristle (pp. 68, 69). The index is remarkable—95 pages for 221 pages of text. Some long phrases are indexed under virtually each word, as “Coöperation of officials necessary for reorganization,” indexed under four heads—coöperation, financial officers, public officers, reorganization. Some mere index titles occupy three full-page lines. One topic reads, “‘Red tape’, defined”; and yet the sentence indexed does not attempt to define red tape. Most purchasers of books do not care to pay for indexing of this excessive type. The index-maker has done his best to make the book appear bromidic; but it is full of good things and suggestive.

WILLIAM MORSE COLE.

Harvard University.

Elements of Accounting, Theory and Practice. By JOSEPH J. KLEIN. (New York: D. Appleton and Company. 1913. Pp. xiv, 422.)

The author of this work is a member of the faculty of New York University School of Commerce, Accounts and Finance, and his work there, together with the assistance he has received from many whose names are familiar to the accounting profession, has enabled him to produce a text which goes far toward attaining the purpose sought, namely, “to bridge the gap between book-keeping and accounting.” Presupposing on the part of the student a knowledge of debit and credit, he first discusses the principles of bookkeeping as applied in the ordinary books of account, and then shows how, by the application of accounting principles, some of the important accounts and books may be rearranged to secure better results. Next follow three chapters on single versus double entry, partnership accounting, and corporation accounting, respectively; after which there naturally comes the preparation of final statements according to the most approved modern practice. The difficult subjects of depreciation, reserve, sinking fund, and investment accounting, which are closely associated with the proper financing of most enterprises, are treated and illustrated in such a way as to render them readily comprehensible. A section, unique in works of this character, is devoted to the accounts of non-trading concerns, following which a clear elucidation is given of the statement of affairs and deficiency account and the realization and liquidation account. The two succeeding chapters, comprising but 30 pages, on the theory of cost accounts, and the final chapter, of only 34 pages, on auditing, are

inadequate to *introduce* the student to these broad and intricate subjects. Each chapter closes with appropriate problems and a bibliography; and, in the appendixes, the large number of supplementary exercises, questions, and problems, mostly taken from C.P.A. examination papers, furnish abundant material for tests.

Each step in the work is amply exemplified by concrete problems, so that not a single point is left in the dark. This, in such a subject, is highly commendable, and is in strong contrast to the work by Racine recently noted in the *REVIEW* (vol. III, p. 658). Moreover, the discussion of important issues, while purposely definite and authoritative, is by no means dogmatic, and it is constantly reiterated that there are other solutions for problems than those given by the author. He freely allows some elasticity in the matter of the forms of record, and is just as free to acknowledge that there is no royal road by which alone correct results may be secured.

But there are some things in this notably meritorious work which call for adverse comment. The "substitution device" (p. 4) is useless or confusing. The making of only two classes of accounts, real and nominal (p. 21), is unscientific; because expense, for instance, is just as much a *thing* as merchandise, inasmuch as coal, stamps, and office stationery are as much things as are goods and notes. Again, to call merchandise account a real account, and purchases account a nominal account (pp. 24-25), is to attempt to make a difference where no difference exists, for they both represent goods; and, worse than that, to add the amount of the real account to the amount of the balance of the nominal account, so-called, would be to get something indefinite, composite, as a result. In this connection, also, is there any sense in calling merchandise inventories tangible things, while purchases and sales and return purchases and return sales of merchandise are not tangible things (p. 23)? It is of very doubtful validity to separate the trading and the administration section of the trading and profit and loss statement (pp. 171-172); for example, advertising, salaries of salesmen, and selling expenses are just as much administration expenses as are office salaries and office repairs.

To accomplish the author's purpose, students should already have a fairly good knowledge of bookkeeping before beginning this work, or else should be given more practice in modern methods of recording during their study of this text. It is as impossible to secure thorough accountants without their first having an accurate

and instantaneous knowledge as to the actual methods of keeping accounts, as it is to expect skilful engineers to result from the theoretical study of technical engineering subjects without the necessary practice in shop, factory, or field. But, all in all, this is probably the simplest and best text that has yet appeared for the purpose it is intended to serve.

W. T. JACKMAN.

University of Vermont.

Regulation, Valuation and Depreciation of Public Utilities. By SAMUEL S. WYER. (Columbus, O.: The Sears and Simpson Company. 1913. Pp. 313. \$5.00.)

Engineering Valuation of Public Utilities and Factories. By HORATIO A. FOSTER. (New York: D. Van Nostrand Company. 1912. Pp. xvi, 345. \$3.00.)

Mr. Wyer offers his book as an "unbiased discussion and concise compilation of the pertinent economic, engineering and legal facts" pertaining to public utilities. With the exception of the first two chapters dealing with introductory matters and definitions, and chapters 14, 15, and 16, presenting respectively technical engineering data, reference tables, and a selected bibliography, the volume is devoted to three general subjects: (1) the economics of public utilities, describing the nature of the different services, especially in reference to costs, prices, and rates, (2) the principles underlying the regulation of public utilities, and (3) the valuation of utility properties, especially for rate-making purposes. Much of the subject-matter in all the chapters is technical. The book is perhaps more a "compilation" than a "discussion," presenting almost throughout *facts* merely as such, with little regard to their interrelation and their economic significance. The chapters on regulation and valuation consist largely of concise and pointed citations from court decisions. In a few instances the *facts* appear more absolute than they actually are. Citations from federal and state courts, and even from state commissions, are used to present general principles. This cannot be done safely unless the views presented have been specifically affirmed by the Supreme Court of the United States. Thus the view in paragraph 289 (p. 95), that the states may not substantially burden interstate commerce (taken from *Shepard v. N.P. Ry. Co.*, 184 Fed. 775), was definitely overruled in June, 1913, by the decision of the Supreme Court in the Minnesota rate cases. Again, it is extremely doubt-